

<b>Title</b>	<b>Apply cost and revenue requirements to a hospitality establishment or department</b>		
<b>Level</b>	<b>5</b>	<b>Credits</b>	<b>6</b>

<b>Purpose</b>	<p>This unit standard is for experienced people in supervisory and junior management positions in a hospitality establishment or department.</p> <p>People credited with this unit standard are able to demonstrate knowledge of cost and revenue requirements, and apply cost and revenue requirements, for a hospitality establishment or department.</p>
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<b>Classification</b>	Hospitality > Hospitality Management
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<b>Available grade</b>	Achieved
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### Guidance Information

- 1 Definitions**

*Establishment requirements* refer to applicable procedures found in the following: establishment performance guidelines and standards; equipment manufacturer’s procedures and specifications; Government and local body legislation.

*Product categories* may include but are not limited to – beverage items, food items, conferencing items.
- 2 Legislation to be complied with includes but is not limited to –** Employment Relations Act 2000, Health and Safety at Work Act 2015, Holidays Act 2003.

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### Outcomes and performance criteria

#### Outcome 1

Demonstrate knowledge of cost and revenue requirements for a hospitality establishment or department.

#### Performance criteria

- 1.1 Revenue items for own departmental area or establishment are identified in terms of the profitability of the product categories.**

**Range** evidence is required for a minimum of four different product categories.

- 1.2 The effect of the relationship of sales to cost and the sales mix on profitability is explained in accordance with establishment requirements.
- 1.3 Costs that do not change in proportion to changes in the volume of revenue are identified as fixed costs.
- Range evidence is required for a minimum of two different costs.
- 1.4 Costs that change in proportion to changes in the volume of revenue are identified as variable costs.
- Range evidence is required for a minimum of two different costs.
- 1.5 Net and gross profits for own departmental area or establishment are outlined in accordance with establishment requirements.

## Outcome 2

Apply cost and revenue requirements to a hospitality establishment or department.

### Performance criteria

- 2.1 Profitability is calculated on product categories for own departmental area or establishment in accordance with establishment requirements.
- Range evidence is required for a minimum of four different product categories.
- 2.2 Net and gross profits for own departmental area or establishment are interpreted to determine business performance in accordance with establishment requirements.
- 2.3 Financial information and reports required to monitor business performance are interpreted in accordance with establishment requirements.

<b>Planned review date</b>	31 December 2027
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### Status information and last date for assessment for superseded versions

Process	Version	Date	Last Date for Assessment
Registration	1	21 May 2010	31 December 2017
Review	2	20 February 2014	31 December 2024
Review	3	2 March 2023	N/A

<b>Consent and Moderation Requirements (CMR) reference</b>	0112
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This CMR can be accessed at <http://www.nzqa.govt.nz/framework/search/index.do>.

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**Comments on this unit standard**

Please contact Ringa Hora Services Workforce Development Council  
[qualifications@ringahora.nz](mailto:qualifications@ringahora.nz) if you wish to suggest changes to the content of this unit standard.